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LLOYDS BANK UK CONSUMER DIGITAL INDEX 2017 Over 11 million people in the UK still lack Basic Digital Skills

- Over two thirds of those offline say nothing will motivate them to use the internet
- Nearly three-quarters of offline consumers don't believe they'll save money by being online
- 30% of people can't manage financially without their regular income for more than a month

The latest Lloyds Bank UK Consumer Digital Index reveals that 11.5 million people in the UK do not have Basic Digital Skills. The report also shows that just under one in ten adults (9%) don't use the internet at all and this group is less engaged and less likely to be persuaded to get online, due to a lack of motivation, than ever before.

The Basic Digital Skills measure, designed by Doteveryone to understand the level of digital skills amongst UK adults, shows that within 12 months, 1.1 million people gained Basic Digital Skills, which is an encouraging improvement. However, there are still 11.5 million people not making the most out of the internet, such as creating content or shopping online. Age is also a determining factor with only 49% of those aged 65+ having Basic Digital Skills, compared to 97% of 15 to 24 year olds.

Nick Williams, Managing Director, Consumer and Commercial Digital at Lloyds Banking Group, said: "This year's Index shows a positive improvement in financial and digital capability with 1.1m more people gaining Basic Digital Skills and 332,000 people having improved their financial capability. It's in the right direction but the rate of change is too slow compared to the pace of technology evolution and focused intervention is now needed.

"We know that 77% of people who are offline are unaware of where to go for digital skills support. Organisations across public and private sectors must focus on one-to-one interactions. Offline customers are harder to reach but they do show up in the community and this is where trusted faces in local places can really help. That's why we have committed, as part of our Helping Britain Prosper Plan, to provide face-to-face digital skills training (including online banking) for 2.5 million individuals, small businesses and charities by 2020."

The Index finds that the last 9% who are not yet online are far less likely to be interested or persuaded of the benefits the internet can offer. As with those lacking Basic Digital Skills, it is the older generation who are even harder to convince.

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PRESS RELEASE



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Over half (51%) of people who are not using the internet have no interest in getting online and this rises to 60% for those aged 60+. Also, more than two-thirds (68%) of those offline say nothing will motivate them to go online – and again this is higher for those aged 60+ (74%). This is a significant increase of nearly 25% since 2016. The Index highlights that nearly three-quarters (73%) of those offline do not believe they can save money using the internet, despite the report showing the savings that can be made. 76% of those aged 60+ also said they did not see how they could save money online.



Worryingly, nearly half (43%) of people do not know there is free support, such as local libraries or Learn My Way courses, that can help them get online and develop their digital skills. This rises to 77% amongst those who are offline. For those wanting to learn to use the internet, the more informal routes prove to be the most popular, with nearly half (45%) of people going to friends or family for help.

When considering financial resilience, the Index finds that 30% (14.8 million) people could not manage financially for more than a month without their regular income and those who are offline are more likely to struggle immediately (22% offline compared to 15% who are online).

Despite acknowledging the hardships they may face, many people are failing to take action to ensure they have a financial safety net in place. In fact, a separate piece of research¹ shows that for many, taking out life or critical illness cover falls lower down the priority list than having access to an internet connection. Eight in ten (81%) Brits consider internet connection as essential and almost three quarters (72%) see a mobile phone as a necessity. In comparison, only 29% think it's essential to provide financial security for dependents if they become critically ill and only 40% think it's essential to provide security for dependents if they die.

Baroness Martha Lane Fox, Founder and Executive Chair, Doteveryone, said: “The report shows both the magnitude of what we've achieved so far and the significant challenges we still face in helping people get online. As before, we can see the real impact digital skills have on people's financial wellbeing: put plainly, those who are highly digitally capable save more money, more often than those without the skills to use the internet.”

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The RT Hon Karen Bradley MP, Secretary of State for Culture, Media and Sport, said: “We want everyone to have the skills and confidence they need to benefit from the digital revolution, with nobody left behind. That is why improving digital skills is at the heart of the Government's new Digital Strategy - from free training in core skills for adults, through to a new Digital Skills Partnership bringing together everyone with a passion for tackling the digital skills gap.

“The Consumer Digital Index highlights many of the issues our new strategy aims to address, and Government will be working even more closely with individuals and organizations to make sure the benefits and opportunities of digital are spread across the country and throughout society.”

Karen Price, CEO, Tech Partnership, added: “The Tech Partnership, which is now assuming responsibility from Doteveryone for basic digital skills, is delighted to see Lloyds Bank’s continued commitment to this important issue, and to the challenges and opportunities of helping everyone participate in our increasingly online world.”

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Editors' Notes:

The Lloyds Bank UK Consumer Digital Index continues to provide a unique view of financial and digital capability by combining actual behavioural data from 1 million people across the UK with survey research from 2,700 people to understand their attitudes behind the behaviour. This year the report also features the Basic Digital Skills updated measure for UK adults, as well as an extended research study of people without a bank account. In addition, new questions were asked within Ipsos MORI’s Tech Tracker, to understand more about how people use internet banking and how they can gain digital skills support. This provides further rich insight which will build on the 2016 Index findings.

Launched in 2014, the Helping Britain Prosper Plan set out seven public commitments supported by 26 individual metrics, designed to address some of the biggest issues facing Britain. In March, the Group updated its 2017 Helping Britain Prosper Plan to be more streamlined and focus on how the Group can best help Britain through supporting People, Businesses and Communities across the UK.

¹Scottish Widows Protection Report – based on a survey carried out by YouGov, who interviewed 5,161 adults between 28 January and 4 February 2016.

a. **Behavioural data** – a robust and UK representative sample of 1m consumers aged 18+. The data analyses 12 months of actual transactional behaviour. It also provides a longitudinal view to understand if or how people have shifted their financial or digital capability over the last year.

b. **Attitudinal research** – a quantitative survey of 2,700 adults, across the UK, understanding financial and digital attitudes, all of which support and enhance the behavioural data.

c. **Basic Digital Skills** – conducted by Ipsos MORI, this quantitative research of 4,000 adults (aged 15+) across the UK, measures the 5 Basic Digital Skills as defined by Doteveryone.

d. **Research on people without a bank account** – in 2016, Toynbee Hall undertook 28 in-depth qualitative interviews. This year, this research has expanded to include:

- national quantitative study of 104 respondents
- in-depth interviews with 29 participants

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- two one-hour in-depth interviews with people who are newly banked

e. **Internet banking quantitative research** Given the proven benefits of being online shown in the 2016 Index, additional research was conducted by Ipsos MORI with 1,000 respondents, with new questions in the Ipsos MORI Tech Tracker to understand more about Internet banking usage, barriers and potential improvements.

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